

PAYMENT BOND FOR NON-PROFIT CORPORATIONS

KNOW ALL PERSONS BY THESE PRESENTS: That

(Name of Contractor)

(Address of Contractor)

a _____, hereinafter called PRINCIPAL and
(Corporation, Partnership, or Individual)

(Name of Surety)

hereinafter called SURETY, are held and firmly bound unto _____

(Name of Owner)

(Address of Owner)

hereinafter called OWNER and the United States of America acting through the Rural Housing Service hereinafter referred to as GOVERNMENT, and unto all persons, firms, and corporations who or which may furnish labor, or who furnish materials to perform as described under the contract and to their successors and assigns in the total aggregate penal sum of _____

_____ Dollars (\$_____) in lawful money of the United States, for the payment of which sum well and truly be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such that whereas, the PRINCIPAL entered into a certain Agreement with the OWNER, dated the _____ day of _____, 19_____, a copy of which is hereto attached and made a part hereof for the construction of:

The purpose of this bond is to insure the prompt payment by the Principal of Principal's financial obligations under the Contract Documents.

NOW, THEREFORE, if the PRINCIPAL shall promptly make payment to all persons, firms, and corporations furnishing materials for or performing labor in the prosecution of the work provided for in such Agreement, and any authorized extensions or modification thereof, including all amounts due for materials, lubricants, oil, gasoline, coal and coke, repairs on machinery, equipment and tools, consumed or used in connection with the construction of such work, and for all labor cost incurred in such work including that by a Subcontractor, Suppliers, and to any mechanic or materialman lienholder whether it acquires its lien by operation of State or Federal law, then this obligation shall be void, otherwise to remain in full force and effect.

PROVIDED, that beneficiaries or claimants hereunder shall be limited to the Subcontractors, and persons, firms, and corporations having a direct contact with the PRINCIPAL or its Subcontractors.

PROVIDED, FURTHER, that the said SURETY for value received hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Agreement or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligation on this BOND, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of this Agreement or to the work or to the specifications.

PROVIDED, FURTHER, that no suit or action shall be commenced hereunder by any claimant: (a) Unless claimant, other than one having a direct Agreement with the PRINCIPAL (or with the GOVERNMENT in the event the GOVERNMENT is performing the obligations of the OWNER), shall have given written notice to any two of the following: The PRINCIPAL, the OWNER, or the SURETY above named within ninety (90) days after such claimant did or performed the last of the work or labor, or furnished the last of the materials for which said claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were furnished, or for whom the work or labor was done or performed. Such notice shall be served by mailing the same by registered mail or certified mail, postage prepaid, in an envelope addressed to the PRINCIPAL, OWNER, or SURETY, at any place where an office is regularly maintained for the transaction of business, or served in any manner in which legal process may be served in the state in which the aforesaid project is located, save that such service need not be made by a public officer. (b) After the expiration of one (1) year following the date of which the PRINCIPAL ceased work on said Agreement, it being understood, however, that if any limitation embodied in the BOND is prohibited by any law controlling the construction hereof, such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

PROVIDED, FURTHER, that it is expressly agreed that this BOND shall be deemed amended automatically and immediately, without formal and separate amendments hereto, upon amendment to the Agreement not increasing the Agreement price more than 20 percent, so as to bind the PRINCIPAL and the SURETY to the full and faithful performance of the Agreement as so amended. The term "Amendment," wherever used in this BOND and whether referring to this BOND, the Agreement, or the loan documents shall include any alteration, addition, extension, or modification of any character whatsoever.

PROVIDED, FURTHER, that no final settlement between the OWNER or GOVERNMENT and the CONTRACTOR shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

WITNESS, WHEREOF, this instrument is executed in _____ counterparts, each of
(Number)

which shall be deemed an original, this the _____ day of _____.

ATTEST:

(PRINCIPAL) Secretary

PRINCIPAL

(SEAL)

By _____

(Address)

Witness as to PRINCIPAL

(Address)

SURETY

ATTEST:

Witness as to SURETY

By _____
Attorney-in-Fact

(Address)

(Address)

NOTE: Date of BOND must not be prior to date of Agreement.

If CONTRACTOR is partnership, all partners should execute BOND. IMPORTANT: SURETY companies executing BONDS must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the Commonwealth of Virginia.